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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

SUMMARY: Based on affirmative final determinations by the Department of Commerce (the Department) and the International Trade Commission (ITC), the Department is issuing an antidumping duty order on large power transformers from the Republic of Korea (Korea).

FOR FURTHER INFORMATION CONTACT: David Cordell or Brian Davis, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S.

Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-0408 or (202) 482-7924, respectively.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 735(d) and 777(i)(1) of the Tariff Act of 1930, as amended (the Act), on July 11, 2012, the Department published the final determination of sales at less than fair value in the antidumping duty investigation of large power transformers from Korea. *See Large Power Transformers from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 77 FR 40857 (July 11, 2012). On August 24, 2012, the ITC notified the Department of its affirmative determination that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act by reason of less-than-fair-value

imports of large power transformers from Korea. *See Large Power Transformers from Korea* (Investigation No. 731- TA-1189 (Final), USITC Publication 4346, August 2012). Pursuant to section 736(a) of the Act, the Department is publishing an antidumping duty order on the subject merchandise.

### Scope of the Order

The scope of this order covers large liquid dielectric power transformers (large power transformers) having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete.

Incomplete large power transformers are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of large power transformers. The “active part” of the transformer consists of one or more of the following when attached to or otherwise assembled with one another: the steel core or shell, the windings, electrical insulation between the windings, the mechanical frame for a large power transformer.

The product definition encompasses all such large power transformers regardless of name designation, including but not limited to step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, and power rectifier transformers.

The large power transformers subject to this order are currently classifiable under subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

### Antidumping Duty Order

As stated above, on August 24, 2012, in accordance with section 735(d) of the Act, the ITC notified the Department of its final determination in this investigation, in which it found material injury with respect to large power transformers from Korea. Because the ITC determined that imports of transformers from Korea are materially injuring a U.S. industry, all unliquidated entries of such merchandise from Korea, entered or withdrawn from warehouse, are subject to the assessment of antidumping duties.

Therefore, in accordance with section 736(a)(1) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise, for all relevant entries of large power transformers from Korea. These antidumping duties will be assessed on unliquidated entries of large power transformers from Korea entered, or withdrawn from warehouse, for consumption on or after February 16, 2012, the date on which the Department published its *Preliminary Determination*,<sup>1</sup> but will not include entries occurring after the expiration of the provisional measures period and before publication of the ITC's final injury determination as further described below.

### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct CBP to continue to suspend liquidation on all entries of large power transformers from Korea. We will also instruct CBP to require cash deposits equal to the estimated amount by which the normal value exceeds

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<sup>1</sup> See *Large Power Transformers from the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 77 FR 9204 (February 16, 2012) (*Preliminary Determination*).

the U.S. price as indicated below. These instructions suspending liquidation will remain in effect until further notice.

Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the estimated weighted-average antidumping duty margins listed below. *See* section 736(a)(3) of the Act.

#### Provisional Measures

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months except where exporters representing a significant proportion of exports of the subject merchandise request the Department to extend that four-month period to no more than six months. At the request of exporters that account for a significant proportion of large power transformers from Korea, we extended the four-month period to no more than six months. *See* letters to the Department from Hyosung Corporation and Hyundai Heavy Industries, dated December 22, 2011 and January 5, 2012, respectively. In the underlying investigation, the Department published the *Preliminary Determination* on February 16, 2012. *See Preliminary Determination*. Therefore, the six-month period beginning on the date of the publication of the *Preliminary Determination* ended on August 13, 2012. Furthermore, section 737(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 733(d) of the Act and our practice, we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of large power transformers from Korea entered, or withdrawn from warehouse, for consumption after August 13, 2012, the date provisional measures expired, until

and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final injury determination in the *Federal Register*.

The weighted-average dumping margins are as follows:

<u>Manufacturer/Exporter</u>	<u>Weighted-Average Margin (Percent)</u>
Hyundai Heavy Industries Co., Ltd.	14.95
Hyosung Corporation	29.04
All Others	22.00

This notice constitutes the antidumping duty order with respect to large power transformers from Korea pursuant to section 736(a) of the Act. Interested parties can find an updated list of antidumping duty orders currently in effect at <http://ia.ita.doc.gov/stats/iastats1.html>.

This order is published in accordance with section 736(a) of the Act and 19 CFR 351.211.

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Paul Piquado  
Assistant Secretary  
for Import Administration

August 27, 2012  
Date

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